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Labor Market News Letter, November 1959

Maine Employment Security Commission

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LABOR MARKET



NEWS LETTER

Maine Employment Security Commission

331 Water Street

Augusta, Maine



NOVEMBER - 1959

ISSUED BI-MONTHLY



Labor Market Highlights — Seasonal curtailments in a few industries, together with the indirect restraining effects of the prolonged—though currently suspended—steel strike on production scheduling in various Maine industries, especially those producing consumer goods, were responsible for a slight downturn in labor market activities this fall. However, despite an apparent hesitation in the recovery movement toward prerecession levels, employment conditions in the State continued to be considerably more favorable than last year. Noteworthy indications of over-the-year economic advances included an increase of 4,200 in the number of persons with nonfarm wage and salary jobs, a drop of 35.9 percent in total unemployment, and the reaching in October of a new all-time peak in the average earnings of production workers employed in manufacturing industries.

Current Employment Level — Although nonagricultural employment dropped off during the fall after having risen to its highest point for the year in August, the number of workers on the payrolls of Maine employers during the middle week of October was 1.5 percent greater than the number employed in the corresponding week of 1958 and almost as great as the number employed in October 1957. Total employment for the period this year was 275,400 as compared with 271,200 in 1958 and 275,800 in 1957. Current employment continues to fall far short of the level attained prior to the 1957-1958 business recession, there having been 9,100 more nonfarm workers employed three years ago than at present. Nonagricultural wage and salary jobs in October 1956 totalled 284,500. Twelve months earlier, in 1955, the number employed was 281,900.

Over-The-Year Employment Trends — The upswing between October 1958 and October 1959 in total employment materialized as a result of expansions in practically all of the State's leading industries. Aggregate employment in manufacturing industries increased from 103,300 to 105,300, whereas the number of persons engaged in nonmanufacturing activities rose by 2,200, from 167,900 to 170,100. The most sizable over-the-year job gains in manufacturing industries were: 1,200 in lumber and wood products; 600 in textiles; 500 in transportation equipment; and 400 in leather and leather products. The only appreciable decline during the period was in non-electrical machinery. In this industry, one plant discontinued producing textile machinery late in

1958. The most substantial twelve-month employment increases in nonmanufacturing groups were: 900 in contract construction; 800 in government; and 400 in wholesale and retail trade.

Recent Changes — Whereas improvements were apparent on a broad front earlier this year, at the end of the summer and in the first part of the fall there was a noticeable slackening in the general economic upturn. This loss of momentum was evident on a nation-wide scale as well as in Maine and was attributable primarily to the effects of the steel strike. Seasonal factors applying to the operations of several important industries in the State frequently cause an employment drop at this time of year. However, it is noted that, although the number of workers currently employed is greater than last year, the fall decline this year was sharper than in 1958. Between August and October, the number of jobs in nonfarm wage and salary employment dropped by 7,300, from 282,700 to 275,400. During the same period last year, the decrease was 5,900, from 277,100 to 271,200.

Labor Force Developments — Youths and out-of-State workers becoming available for potato harvesting jobs caused the Maine labor force to rise between August and the middle of September from an estimated 397,100 to 399,000 persons. Additional entrants swelled the size of the working force towards the end of September, but the rapid withdrawal of these job-seekers following the completion of harvesting operations, together with the withdrawal of persons separated from seasonal jobs in other activities,

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resulted in shrinkage in the labor force to approximately 390,400 by mid-October. During the thirty-day period, from September 15 to October 15, the estimated total number of unemployed workers in the labor force increased from 16,100 to 16,600. The unemployment situation in October, while still not favorable, was much less serious than a year ago when the number unemployed was 25,900.

Insured Unemployed — At the end of October only two other states had higher insured unemployment rates than Maine. This State's rate — reflecting the relationship of weeks of unemployment claimed under the unemployment insurance program to average monthly covered employment — was 6.1 percent. The other states with higher rates were Alaska and West Virginia with insured unemployment ratios of 8.4 percent and 7.2 percent, respectively. The nation-wide rate for the period was 3.7 percent, whereas the percentage rates for the other New England States were: Connecticut—3.2; Massachusetts—3.3; New Hampshire—2.7; Rhode Island—4.0; and Vermont—2.8. Last year at the end of October, Maine's rate of insured unemployment — which also was third highest in the Country at the time — was 6.2 percent. The national rate a year ago was 4.0 percent.

Registered Job Applicants — Workers maintaining active job applications on file in the fourteen local employment offices of the Maine Employment Security Commission totalled 16,990 on November 1. Judging from recorded information relating to these applicants, it would appear that the available labor supply continues to be more than adequate to meet most of the current and anticipated needs for workers in Maine. At the present time there are, however, 51 job openings

in 22 different occupations listed in the local offices which cannot be filled from local labor supply sources. Of the total number of November 1 applicants seeking jobs through the public employment service, 8,406 were females and 822 were physically handicapped. The registrants were distributed on a broad occupational group basis as follows: professional and managerial — 479; clerical and sales — 2,464; service — 1,419; skilled — 2,220; semiskilled — 4,244; and unskilled — 6,164.

Earnings of Production Workers — The average hourly and weekly earnings of production workers employed in Maine manufacturing establishments were at an all time peak level in October, according to estimates prepared by the Maine Employment Security Commission in cooperation with the United States Bureau of Labor Statistics. In the middle week of the month, average hourly earnings were \$1.73, while weekly earnings averaged \$69.89. Year-to-year trends in earnings data have followed a strong upward trend since the start of the present decade, with no indications of a letup. In October 1950, the average hourly earnings amounted to \$1.22, or fifty-one cents per hour less than the current rate. Since October, 1955, when the average was \$1.47 per hour, there has been an increase of twenty-six cents in the hourly rate. Between October 1958 and this year, the hourly rate jumped by six cents. Despite the marked improvements noted, average earnings rates in Maine are — partly because of industrial composition differences — considerably lower than in the Country as a whole as is evident from the fact that the national average hourly earnings rate in September, the latest period for which such data are available, was \$2.21.

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